

FINDING OF FACT

By

JOHN R. BAKER

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PUBLIC EMPLOYMENT
RELATIONS BOARD

IN THE MATTER OF FACT FINDING)	
FORT MADISON, IOWA)	
EMPLOYER,)	FINDING OF FACT
and)	AND
FORT MADISON ASSOCIATION OF FIREFIGHTERS, LOCAL 607)	RECOMMENDATIONS
EMPLOYEE ORGANIZATION.)	

APPEARANCES

FOR THE UNION

Jack Reed, IAAF State President
Mike Schnieder, Local Union President
Richard Blindt, Engineer/Paramedic

FOR THE EMPLOYER

Terry Loschen, Attorney at Law
William A. Kelly, City Manager

STATEMENT OF JURISDICTION

This matter proceeds to Fact Finding pursuant to an independent impasse agreement mutually agreed upon by and between the City of Fort Madison, Iowa, a public employer, (hereinafter "Employer or City") and Fort Madison Association of Firefighters, Local 607, a public employee organization (hereinafter "Union"). The independent impasse agreement provides a waiver of the March 15, 2003 deadline for completion of impasse services. The Fact Finder was selected from a list of Fact Finders furnished to the parties by the Public Employment Relation Board.

A hearing was held on April 30, 2003 at the City Hall in Fort Madison Iowa. The hearing commenced at approximately 1:00pm. At hearing the parties were afforded the full and complete opportunity to introduce evidence and frame arguments in support of their respective positions on each item at impasse. Solely upon the evidence in the record

and the arguments of the parties at hearing, this recommendation is made.

CRITERIA APPLIED IN DRAFTING THIS RECOMMENDATION

The Iowa Public Employment Act does not set forth the criteria that are to be used in the determination of a fact finding recommendation. The Act does, however, contain the criteria that are to be used by interest arbitrators in the formulation of interest arbitration awards. Section 22.9 of the Act sets forth the following, in relevant part:

The panel of arbitrators shall consider, in addition to any other relevant factors, the following factors:

- a. Past collective bargaining contracts between the parties including the bargaining that led up to such contracts.
- b. Comparison of wages, hours and conditions of employment of the involved public employees with those of other public employees doing comparable work, giving consideration to factors peculiar to the area and the classifications involved.
- c. The interests and welfare of the public, the ability of the public employer to finance economic adjustments and the effect of such adjustments on the normal standard of services.
- d. The power of the public employer to levy taxes and appropriate funds of the conduct of its operations.

An interest arbitrator may choose one of three possible positions on an item at impasse. He or she may select the position of the public employer, the public employee organization or the recommendation of the fact finder. It is therefore logical that a fact finder must apply the same criteria in the formulation of a recommendation. It makes no difference whether or not such recommendation is binding upon the parties, the same criteria must be applied.

BACKGROUND

The City of Fort Madison is located in South East Iowa on the banks of the Mississippi river. The City employs approximately 18 Fire Department employees to provide a variety of service to the citizenry. Included in the 18 employees are 11 bargaining unit employees. The Fire Department employees have, for purposes of collective bargaining, been represented by the Fort Madison Association of Fire Fighters, Local Union 607, IAFF.

This City and the Union have resolved all outstanding issues for the 2003 collective bargaining agreement with the exception of leaves of absence, the employee

contribution toward the cost of health insurance, the amount of the wage increase and supplemental pay. These four impasse items were submitted to fact finding for a recommendation on each item.

ITEMS AT IMPASSE

LEAVES OF ABSENCE

The Union has proposed to increase the amount of compensatory leave from eight (8) hours to twelve (12) hours and to all its use in one (1) hour increments rather than the four (4) hour increment that is currently required.

The City believes this is a permissive item of collective bargaining and has petitioned the Public Employment Relations Board for a negotiability ruling. The City presented no evidence or argument on compensatory leave.

INSURANCE

The Union has proposed to retain the current contribution toward the cost of health insurance and to retain the current coverage.

The City has proposed the following:

Article 17 A – Health Insurance

Delete Section 1 and 2 add new Sections 1 and 2 as follows:

Section 1. The Employer shall provide a group health and accident insurance policy for each full tie (sic) employee and his or her family or dependants comparable to the Alliance Select Preferred Provider Organization-Iowa and Blue Card PPO-National, except for such coverage or benefits which are not offered or available in the current health insurance market and therefore cannot be obtained by the Employer. Payment of the premiums for said insurance shall be as provided in Section 2 below.

Section 2. The Employer shall pay 100% of the single coverage premium and the employee shall pay 0% of said premium. For employees who elect coverage for family or dependants, the employee will pay forty dollars (\$40.00) per month of the family premium and the Employer will pay the balance of the family premium. The employee's portion of the above premium costs will be made by payroll deduction.

WAGE INCREASE

The Union has proposed to increase all wages by 4% effective July 1, 2003.

The City proposed to increase all wages by 3% effective July 1, 2003.

SUPPLEMENTAL PAY

The Union has proposed to provide \$50.00 per month additional pay to those employees who are trained as an EMT-B and to provide an additional \$75.00 per month additional pay to those employees who are trained as a Paramedic.

The City has proposed no change in the supplemental pay.

POSITION OF THE PARTIES

LEAVES OF ABSENCE

The Employer has filed a negotiability dispute with the Iowa Public Employment Relations Board alleging compensatory time off from work is a permissive item of collective bargaining.

The Union argued that the Police Department accumulates twelve hours and that those employees can utilize accumulated compensatory time in one-hour increments. In comparison, Fire Department employees accumulate eight hours of compensatory time and must utilize it in four-hour increments. The Union also noted that no other bargaining unit is required to utilize accumulated compensatory time in four-hour increments. Union Exhibit Number 13 shows a range of maximum accumulation of compensatory time between six hours for the Library to twelve hours for the Police Department. The average accumulation is just is 8.4 hours.

INSURANCE

The City has proposed to increase the employee contribution toward the cost of family health insurance coverage from \$35.00 per month to \$40.00 per month. The employer also proposed the following changes to the insurance coverage:

Current policy	Proposed policy
\$200 single/\$400 family deductible	\$250 single/\$500 family deductible
No co-pay	10% in plan - 20% out of plan.
Out of pocket maximum is same as deductible amount	\$1,000 - \$2000 out of pocket max. Includes deductible amounts
Prescriptions included in deductible	\$10 generic, \$25 preferred, \$40 non-preferred
Wellness physical paid by Employee	One physical per year/per member
Lifetime benefit \$1 million	Lifetime benefit \$2 million

The city also proposed to change the insurance language contained in Article 17,

A. Health Insurance, Section 1 from:

Section 1. The Employer shall, at no cost to the employee, maintain for each employee a health and accident policy comparable to the policy presently in existence. Prior to any change in the policy or in the carrier, the Employer agrees to meet and confer with the Association. The final decision as to the terms of the policy and the carrier shall be made by the Employer.

Section 2. An employee may elect to cover the employee/s family, in which case the employee will pay thirty-five (\$35.00) per month toward said family coverage, and the Employer will pay the balance.

to:

Section 1. The Employer shall provide a group health and accident insurance policy for each full time (sic) employee and his or her family or dependants comparable to the Alliance Select Preferred Provider Organization-Iowa and Blue Card PPO-National, except for such coverage or benefits which are not offered or available in the current health insurance market and therefore cannot be obtained by the Employer. Payment of the premiums for said insurance shall be as provided in Section 2 below.

Section 2. The Employer shall pay 100% of the single coverage premium and the employee shall pay 0% of said premium. For employees who elect coverage for family or dependants, the employee will pay forty dollars (\$40.00) per month of the family premium and the Employer will pay the balance of the family premium. The employee's portion of the above premium costs will be made by payroll deduction.

The Employer argued that these changes were necessary because of the increased cost of insurance premiums and the fact that the cost of insurance has increased dramatically during the previous three years. According to the City the cost of insurance increased by 87.64% during the past two years, will increase 20.24% this year and is projected to increase 20% for 2004. The City argued that it needs to reduce the cost of insurance by changing the policy to one that shares the risk and by having employees contribute more toward the cost of the insurance. Lastly, the Employer noted that the current health insurance policy is the only one of its kind remaining in effect in the State of Iowa and, of course, the only one in effect in the comparability group.

The Union proposed no change in either the coverage or the contribution toward the cost of the insurance for family coverage. The Union argued that one reason for the

increase in usage is that the city is using the health insurance to cover on the job injuries. The Union noted that Chapter 411.15 of the Code of Iowa requires cities to provide medical attention to fire department employees who suffer on the job injuries. According to the Union, this is a partial cause of the premium increases.

According to the Union the City's proposal would result in a total additional cost per employee of \$1,100 per year for single coverage and \$1,900 for family coverage. These amounts represent respectively 3.25% and 5.6% of the top fire fighter wage rate.

WAGE INCREASE

The Union proposed a general wage increase of 4.0%. The Union argued that in its proposed comparability group the City has the lowest starting wage. The Union further noted that it ranks third in top pay in the same comparability group and that its proposed wage increase would not change either of those rankings. Further, the Union cited the wage increases for the police department of 3.5 % and 3.8%, both being negotiated in the previous bargaining as a part of a multi-year agreement.

The city has proposed a 3.0% general wage increase. The City noted that the average increase in its proposed comparability group is 2.93% and that under its proposal the rank of the pay for its Firefighters would not change. The City argued that the appropriate comparison is to the top wage as all of starting wage is temporary in nature and all Firefighters have the opportunity to advance to the top of the pay grade as positions become available.

The City also noted the decline in its financial position and its ability to raise revenues. It also projected that its financial difficulty will continue into the foreseeable future.

SUPPLEMENTAL PAY

The Union proposed to provide for additional supplement pay for employees based upon their holding an EMT-B certification or having completed training as a Paramedic. The Union argued that such training greatly benefits the citizens of Ft. Madison as Firefighters are often the first to arrive on the site of an emergency. The Union noted that other Cities in the comparability provide supplemental pay for employees who hold an EMT-B certification or for those who are trained as a Paramedic. The Cities of Boone and Newton provide \$20.00 and \$30.00 per month to employees

who hold an EMT-B certification and only Newton provides pay for Paramedics; that pay being in the amount of \$120.00 per month. The Union has proposed supplemental pay of \$50.00 per month for those employees possessing an EMT-B certificate and \$75.00 per month for those employees who are Paramedics.

The City acknowledged that the citizenry of Ft. Madison indeed do benefit from Firefighters that have the training to provide the services associated with EMT-B certification and with training as a Paramedic. The City argued that it has never made such training a requirement for initial or continuing employment as a Firefighter by the City of Ft. Madison. Simply put, the City argued that because it has not imposed such a requirement it should not now be required to pay for skills that it does not require as a condition of employment.

DISCUSSION AND RECOMMENDATION

The Union and the Employer were ably represented at the hearing and both offered evidence and testimony to support their respective positions on each item at impasse. Both Parties proffered a comparability group for purposes of comparison with similarly situated public employees. The Union proposed a comparability group consisting of the following Cities; Newton, Boone, Keokuk, and Oskaloosa. The City proposed a comparability group consisting of; Newton, Boone, Keokuk, Oskaloosa, Charles City and Creston.

A comparability group is but one of the factors that are required to be considered when formulating a decision, therefore neither group is adopted as the only appropriate group for comparison, rather each will be given appropriate weight.

LEAVES OF ABSENCE

The Employer made no proposal on this item, as it believes it to be a permissive item of collective bargaining. The Union proposed increasing the maximum accumulation by four hours to a maximum of twelve hours and decreasing the minimum utilization amount from four hours to one hour.

The internal comparability does not support the increase of the maximum accumulation. However, internal comparability does support decreasing the utilization rate from a minimum of four hours to one hour. One-hour usage is the minimum provided by for all other bargaining units.

INSURANCE

The insurance item is the most contentious item at impasse. The City argued that the increases in the cost of health insurance are such that it is experiencing difficulty in meeting its current and future budget commitments. Further, the cost of insurance is projected to increase in the future. The City provided a summary of its justification for the proposed changes in City Exhibit Number 25.

The City noted that it is one of only two Cities in its proposed comparability group that does provide an insurance policy that requires co-pay by the employee. Further it noted that the current insurance policy provides for one of the lowest deductible and out of pocket cost for both single and family coverage.

With respect to the proposed change in the language, the City argued that the current language has a chilling effect on negotiations on health insurance coverage because it is limited to discussing plans providing comparable coverage.

The Union has resisted any change in the contribution or coverage of the health insurance plans. The Union noted that under the City's proposed changes, even considering either wage proposal, a firefighter may experience a decrease in annual income.

Clearly there is reason for concern over the increasing cost of the health insurance and equally clearly the Union is concerned about an increase in contribution and a decrease in coverage. The comparability groups proposed by both parties favor some change in the contribution and in the coverage provided by the City. However, comparability is but one of the required factors that are to be considered by the neutral. Bargaining history is a relevant factor, and here must be given weight in the framing of the recommendation. Internal comparability is another factor that must be given considerable weight.

Both the bargain history and the internal comparability favor the retention of the current insurance coverage. However, an increase in the contribution toward family coverage is justified on the basis of comparability of other similarly situated public employers.

It is recommended that the current contract language be retained and the current policy remain in effect. It is further recommended that the contribution toward the cost

of family coverage be increased to \$40.00 per month.

WAGE INCREASE

Any wage increase cannot be considered in isolation from the other costs that are associated with the collective bargaining agreement. Therefore, the cost of the wage increase must be considered along with the cost of other benefits upon which the Parties have bargained. It cannot be disputed that the City will experience insurance cost increases and that such increases have, in the past, been substantial.

Clearly, health insurance and the cost associated therewith, are an increasingly important form of compensation for employees and an increasing cost to employers. Where, as here, it is recommended that the current policy remain in effect, as proposed by the Union, it is logical that the increased costs of the insurance be considered when formulating a recommendation on the amount of the general wage increase.

Under either Party's proposal, the rank order within either comparability group will not change. Further, under either proposal the internal ranking of the Firefighters when compared to other City employees, will not change under either proposal.

When considering the history of bargaining, the Union noted that it received a 4.0% increase last year, however that increase was split into two raises of 2% each, thus the cost calculates to 3%. The City has proposed a 3% raise and the cost of that raise is comparable to last year's wage increase.

The comparability data and the bargaining history support the position of the City. It is recommended that the wages be increased by 3%.

SUPPLEMENTAL PAY

It cannot be argued that the citizens of Ft. Madison benefit from the additional training that the Firefighters have obtained. That fact however is not dispositive as to the resolution of this impasse item. Fact that the Employer has not made such training a requirement for initial employment or for continued employment is convincing. The Public Employment Relations Act contains a list of rights retained by a public employer. Among these is the right to determine the "means" and "assignments" of personnel to carry out the operations of the public employer. Here, the City has made no determination that EMT-B Certification or Paramedic training is necessary to meet its operational requirements.

The inclusion of the proposed supplemental pay is not recommended.

SUMMARY OF RECOMENDATIONS

LEAVES OF ABSENCE

The maximum accumulation of compensatory time should remain at eight hours.
The minimum utilization amount should be decreased from four hours to one hour.

INSURANCE

It is recommended that the current contract language be retained and the current policy remain in effect. It is further recommended that the contribution toward the cost of family coverage be increased to \$40.00 per month.

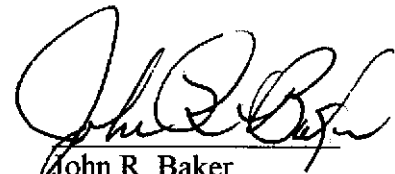
WAGE INCREASE

It is recommended that the wages be increased by 3%.

SUPPLEMENTAL PAY

The inclusion of the proposed supplemental pay is not recommended.

DATED this 21st day of May, 3003 at Minburn, Iowa.


John R. Baker,
Attorney at Law
Factfinder

CERTIFICATE OF SERVICE


I certify that on the 21st Day of May, 2003 I served the foregoing Report of Fact Finder upon each of the parties to this matter by mailing a copy t them at their respective addresses as shown below:

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